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DAILY DIGEST

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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DIA AND DOS REVIEW COMPLETED

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SECTION 1 (SOVIET)

1. POLAND. New identity cards to be issued: In a decree dated 22 October the Polish Government provided for the issuance of identity cards to all Polish civilians over 18, except lunatics, and over 16 if employed and not under parental care. These cards will provide the sole documentation of the individual, will replace the domicile registration cards which were renewed last March, and will be valid for five years. Local rumor links the issuance of these new cards to full rationing, although the US Embassy in Warsaw regards them as a step by the government to obtain fuller control of the population. [REDACTED]

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Comment: The issuance of the new cards will probably proceed at once, although present information does not specify this. Less than a year ago the Polish Sejm decreed a new system of personal identification documents. Under that decree a comprehensive registration of all Polish civilians was made late last winter. Probably the new registration and the issuance of the identity cards will be checked against the earlier registration.

2. New rationing regulations to be issued to combat meat shortage: US Embassy Warsaw reports that new regulations are being issued for meat ration cards in December and that the cards will have to be validated by the block warden. In connection with the new regulations workers are being urged to surrender their meat cards "voluntarily" for use by the Army. A decree to this effect is expected by the Embassy.

That the meat situation is serious is also indicated by recent propaganda to popularize horse meat in Poland, a country long accustomed to something better than horse flesh. In addition in late October the Government announced a special two year plan for meat production. Finally a plan for hunting 1.2 million hares was announced with the stipulation that the plan must not be exceeded, probably because of the ammunition involved and a desire to protect the stock from extinction.

The Embassy comments that as living conditions have worsened because of shortages, rising unrest is rumored even within the Communist Party. [REDACTED]

Comment: Unrest and dissatisfaction has been apparent during the past several months among the population at large, though so far there has been no report of trouble within the Communist Party.

If the workers are forced to surrender their meat ration cards to

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the Army, unrest will be further aggravated. The purpose of urging such meat contributions to the Army is unclear. However it may indicate a lack of meat stockpiles for the military which can be drawn upon, or a desire not to deplete existing stockpiles.

3. RUMANIA. Rumania again denies knowledge of American plane: In response to the latest American representations, the Rumanian Foreign Office has again informed the American Charge in Bucharest that it has no information regarding the missing American plane. Deputy Foreign Minister, Bunaciu, stated that "naturally" his Government would inform the US Legation of "any news" concerning the plane. 25X1

Comment: In response to a US verbal inquiry as to the whereabouts of the plane, the Rumanian Government initially protested against the alleged 19 November violation of its border. On 20 November, Foreign Minister Pauker called the American Charge, demanded more information concerning the plane and registered a further oral protest. Since that date, the Foreign Office has informed the Legation that while a search has been made, it has no information regarding plane and crew.

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SECTION 2 (EASTERN)

1. INDIA. Numerous political parties to contest national elections: According to an Indian broadcast of 25 November, 11 political parties in the State of Uttar Pradesh have entered candidates in the forthcoming general elections. In Madras State, 19 parties are participating. [REDACTED]

Comment: With this number of parties participating, there is bound to be confusion at the polls. The division of the opposition into so many political parties should ensure the victory of the well-established Congress Party in the elections, despite the loss of many of its members during the past year.

2. BURMA. Communist "peace congress" reported: The Burma Communist Party, [REDACTED] was to sponsor a "world peace congress" during November. Other insurgents, including the Karens of eastern Burma and the Communist Party (Burma), were invited to send delegates. [REDACTED] the congress may well mark a further step designed to tighten the BCP-Karen alliance and to consummate general insurgent collaboration. [REDACTED]

Comment: Communist efforts to win Karen support have been under way for some time. However, this is the first time that their relations are referred to as an alliance. The Karens of eastern Burma are the most cohesive group, militarily and politically, and it is doubtful that they have yet reached the stage where an alliance with the Communists would be deemed necessary.

3. BURMA/CHINA. [REDACTED] estimate of Communist intentions in Southeast Asia: According to [REDACTED] the Chinese Communists will not attack Burma for the present--no matter how great the provocations of Li Mi's activities. These sources state that Chinese Communist strategy entails full-scale military intervention in Indochina, a war of nerves against Thailand and intensive political activity in Burma. [REDACTED]

Comment: This report is a somewhat watered-down version of the [REDACTED] regarding Chinese Communist intentions towards Southeast Asia.

4. THAILAND/MALAYA. Increased Communist activities reported: According to press reports, rubber plantation strikes are spreading from Malaya

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into southern Thailand. The strikes have been for higher wages and have been marked by occasional seizures of owners and foremen. The Thai Government's English language outlet, the Bangkok Tribune, blames the trouble upon Chinese Communists who have infiltrated into Thailand from Malaya. The US Embassy in Bangkok points out that the wage issue appears to be merely a pretext, since the laborers on these plantations already receive a 70 percent cut of the income from all latex which they tap. The Embassy also comments that this development may signify a shift from the "peaceful" attitude of Malayan bandits while in Thailand to a program of active terrorism. [REDACTED]

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Comment: Increased police activity along both sides of the Thai-Malayan border has been noted in recent weeks. The strikes in southern Thailand may be the Communists' reply to the increasingly aggressive Thai actions to deny them sanctuary from British forces.

5. INDOCHINA. Vietnamese Premier denies extreme nationalist demands: Premier Tran Van Huu, now in Paris as head of the Vietnamese delegation to the High Council of the French Union, has expressed surprise at press reports that he would insist that the French Union be modeled after the British Commonwealth, according to the French newspaper Figaro. [REDACTED]

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Comment: Aside from this denial, Premier Huu has been making increasingly nationalistic utterances in connection with Vietnam's position in the French Union. These statements are probably more a reflection of Huu's quarrel with General de Lattre--as a result of which Huu has felt obliged to seek popular support--than of any genuine hope on Huu's part that he can persuade the French Government to accept an equal voice in the French Union with Vietnam. The Vietnamese, although aware of their weak bargaining position, will probably be somewhat more outspoken at the forthcoming conference than they have been in the past, and may cause the French considerable embarrassment by their demands.

6. INDONESIA. Success in West Java security campaign is doubtful: The government's security campaign in West Java is reported nearing completion. Guarded press releases report the capture of dissident bases but admit that the majority of the guerrillas have broken into small bands and escaped. The US Army Attache comments that, considering the dissidents' opportunities to escape and reassemble later, the success of the government's campaign is doubtful. He feels that as soon as government troops leave the area, an early resurgence of dissident strength is likely. [REDACTED]

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Comment: This is the pattern which previous security campaigns have followed. Security improves somewhat as long as government troops are in the area but rapidly deteriorates when they are withdrawn.

It had been hoped that following the appointment to West Java of Col. Kawilarang, considered the best tactical commander in Indonesia, operations would take on increased efficiency. However, Kawilarang has had to cope with the same difficulty which faced his predecessors--poorly trained troops opposed by guerrilla forces who are able to disappear, when hard pushed, into the local population.

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7. The term "Peoples' Fighting Army" appears in Indonesia:
The US Army Attache reports that the term "Peoples' Fighting Army" appeared for the first time six weeks ago and is being used with increasing frequency in decidedly Communist areas. [REDACTED]
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Comment: This report does not indicate which areas are considered "decidedly Communist" or in what circumstances the term "Peoples' Fighting Army" has been used.

For several years Communist armed strength has been concentrated in Central Java but has been relatively inactive there since 1948. During recent months there have been indications of a consolidation under Communist direction of lawless activity in West Java. It is probable that the term has appeared in this area.

Communist and Communist-led military units have operated chiefly as local armed gangs bearing individual names. If an over-all name has been given to Communist-directed armed strength, indicating an organized approach to military activity, this development would parallel the united front tactics instituted several months ago on a political level.

8. Riots occur in Flores: A belated Indonesian news release reports that large scale riots occurred in Flores (an island in the Lesser Sunda group) on 27, 28 and 29 October. The riots developed over an attempt by the PKTI (meaning of abbreviation undisclosed) to force radical changes in the traditionally feudalistic land tenure system. The conservative element of the population resisted violently, resulting in 112 killed, 50 wounded, 3500 evacuated to safer areas, and an undisclosed number of houses burned. Following intervention by the Army and police, instigators of the incidents were arrested and a "form of martial law" was established.

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The US Army Attache comments that the riots in Flores are "typical" of the Christian population's resistance to attempted changes in their communal methods of administering land and crop yields. He states that Communist connections with the riots are possible but unconfirmed; the PKTI may refer to the Communist Farmers Party of Indonesia. He also cites the possibility that the incidents were caused by resentment toward agricultural changes proposed by the central government.

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10. CHINA. Soviet training program for Chinese forces in Manchuria assessed: Up to 50 Chinese Communist divisions may be involved in the current Soviet-supervised re-equipping and training program centered in Manchuria, according to preliminary US Far East Command analysis. Training in the combat arms is believed to constitute the major part of this program.

Confirmed reports of the departure of Chinese Communist troops from South and East China towards Manchuria since late 1950, and the failure of these troops to appear in the Korean war, form the basis for FECOM's analysis.

Far East Command further believes that the supplying of Soviet equipment to troops currently in Korea is a measure to enable China

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to remain in the Korean war until the 50 divisions in Manchuria, modernlv equipped and trained, are ready for combat. [REDACTED]

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Comment: A Soviet program for training and re-equipping Chinese Communist ground forces in Manchuria has been frequently reported, but nothing is reliably known of the scope of such a program.

11. KOREA. Five enemy twin-jet aircraft encountered over Korea: During the night of 22 November, a UN medium bomber encountered five enemy twin-jet night interceptor aircraft over the Uiju target area on the Korean-Manchurian border. The enemy aircraft followed closely behind the B-29 and criss-crossed over it for 25 minutes, finally breaking off some 20 miles west of Hamhung on the east coast. The bomber crew's identification of the enemy aircraft "strongly indicates . . . a Type 8 twin-jet (Russian version of the German ME-262)." In at least one instance an enemy plane was visible in searchlight beams from the ground.

Of additional interest in this encounter is the fact that all indications point to the enemy aircraft being vectored into the B-29 by ground-controlled intercept radar rather than by airborne radar. [REDACTED]

Comment: While UN bombers have regularly encountered similar aircraft in isolated incidents over North Korea, this is the first encounter in which a group of more than three was sighted and in which a seemingly positive identification could be made.

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SECTION 3 (WESTERN)

1. GENERAL. Canadians requested to give economic aid to Europe: The special NATO committee examining politico-economic capabilities of its members has proposed that Canada in 1952 extend 200 million dollars in economic aid to European member nations. In its view, adding Canada to the US as a source of economic aid would have an important psychological effect in Europe and would greatly facilitate passage of the 1952-53 Mutual Security Agency appropriations by the US Congress.

The Canadian Finance Minister objected that the defense proposals for 1952-53 represent the maximum portion of its gross national product that Canada can contribute. The Minister of Commerce and Defense Production indicated, however, that these problems did not seem serious. [REDACTED]

Comment: Canada is a strong supporter of NATO and is somewhat self-conscious about [REDACTED] its military commitments. Therefore, it may well meet this request.

The Canadian decision will be influenced by the rate of US defense purchases in Canada. In the first six months of 1951 Canada ran a 344-million-dollar deficit with the US, the second largest in history. This deficit is mainly attributable to defense purchases resulting from its decision to standardize its military equipment with the United States.

2. GERMANY. Adenauer optimistic for early completion of contractual conventions: West German Chancery officials report that Chancellor Adenauer is confident that complete agreement can be reached on all the details of the special conventions to the General Agreement shortly after Christmas. [REDACTED]

Comment: It is quite likely that negotiations on the new political status for Germany will not be completed as soon as Adenauer hopes they will. Yet his optimism is significant, since it may indicate that at present he has no unexpressed exorbitant demands to present to the Allied negotiators. The absence of such demands would augur well for reasonably rapid progress in the negotiations and for their eventual successful completion.

3. FRANCE. De Lattre may be ready to relinquish his Indochina post: General de Lattre himself is probably the source of the rumors predicting his resignation as High Commissioner in Indochina, according to a well-placed French official. It is quite likely that the general wants to leave

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Indochina while he is still at the height of his success, particularly since the fulfillment of French desires in that area is increasingly uncertain. It is also possible that he has political ambitions, which could lead him into the Gaullist camp or into accepting an important diplomatic post. [REDACTED]

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Comment: The persistence of these rumors recently led the French Minister for the Associated States to deny that De Lattre's replacement is under consideration.

General de Lattre's health has been adversely affected by his service in Indochina and he might resign on this account. His departure would probably disrupt the military effort and thus increase parliamentary opposition to France's continued burden in Indochina.

4. SPAIN. Intensification of Communist intelligence activities reported: The Spanish Communist Party (PCE) is reportedly planning to reorganize its guerrilla brigades in Spain into an intelligence net with the primary mission of gathering information at Spanish ports on arrivals of US war material. According to the same report, the majority of PCE political cadres in Spain have been destroyed as a result of police repression and two independent sources have stated that the PCE has been undergoing a purge in Spain for about six months. [REDACTED]

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Comment: PCE political and guerrilla activities within Spain have been largely ineffective for several years because of poor morale and police repression. The morale problem has been particularly evident among PCE exiles in France who, because of disillusionment with the motives of the USSR and lack of trust in PCE leadership, have been unwilling to join the guerrilla brigades or undertake other missions inside Spain. In view of the PCE's political and numerical weakness, it seems quite likely that it has been directed to focus its principal effort on the collection of intelligence and that it is now in the process of tightening up organization and security in anticipation of a US-Spanish military pact.

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7. UNION OF SOUTH AFRICA. South Africa has reservations on participation in proposed Middle East Command: The Union of South Africa is interested in the formation of a Middle East Command only as it would affect the north-east tip of Africa, Jordan and Israel, according to Chief of the General Staff du Toit. He is violently opposed to the idea of a Turkish ground forces commander, maintaining that South Africans would refuse to fight under a "non-European." The US Military Attache believes that these views are shared by Defense Minister Erasmus. [REDACTED]

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Comment: This is the first authoritative delimitation of South Africa's commitment to send one armored division without equipment to assist in the defense of the Middle East against Communist aggression. Since final plans for the proposed Command have not yet been agreed on, South African troops may not be called on to serve under a Turkish commander.

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8. CUBA-GUATEMALA. Governments protest Dominican action to Organization of American States: The Cuban and Guatemalan Governments have protested to the Inter-American Peace Commission of the Organization of American States over the Dominican Government's capture, trial, and sentencing of five Cuban and three Guatemalan crew members of the vessel Quetzal. The men have been sentenced to thirty years hard labor. The Cuban Ministry of State insists that "we cannot admit that any country has the right to illegally apprehend outside its territory Cuban citizens who have not committed any crime, much less that they be tried and condemned." [REDACTED] 25X1

Comment: The Dominican Government claims that the Quetzal, owned by Dominican revolutionary Miguel A. Ramirez, was not "seized" outside Dominican waters, but was voluntarily brought to a Dominican port by its captain, who has now been reinstated in the Dominican navy. Crew members were tried for activity against the Dominican Government, which may possibly welcome an OAS investigation as a means of publicizing "evidence," obtained with the Quetzal, of Cuban complicity in Dominican revolutionary activities.

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9. PANAMA. Foreign Minister expresses appreciation of importance of Panama registry problem: The Panamanian Foreign Minister informed the US Ambassador on 27 November that he had not yet had an opportunity to study the possibility of strengthening laws and regulations governing the transfer of vessels from Panama registry but would do so as soon as possible. According to Ambassador Wiley, the Foreign Minister showed keen appreciation of the importance of the matter and of the urgent desirability of attempting to meet the situation, but explained that preoccupation over the domestic political situation had up to this time precluded attention to anything else. [REDACTED] 25X1

Comment: Panamanian Foreign Minister Molino tends to create the impression that he can and will take action on US requests sooner than is in fact the case. On 19 October he assured Ambassador Wiley that he would give thorough study to the question of extension of Panama's control over ships of its registry. A week later he expressed the belief that a new law or decree was unnecessary since any application for transfer could and would be held up for four to six months by bureaucratic red tape. In fact, however, Panama law does not prohibit the voluntary surrender of Panama registry documents.

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It is true that the domestic political situation has been such as to preclude attention to external affairs, but there has been no significant amelioration of this situation in recent weeks. Speedy adoption of the new law or issuance of a decree continues, therefore, to be questionable.

10. VENEZUELA. US Steel subsidiary ready to begin mining operations: The Orinoco Mining Company, a US Steel subsidiary, has agreed to dredge the Orinoco and Macareo rivers for use in transporting iron ore from its Venezuelan concessions. Irving S. Olds, chairman of the Board of US Steel, said that the dredging will start soon, and that ore may begin to reach the US by early 1954.

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Comment: The dredging agreement is the product of years of dickering over the mining of the "fabulous" Cerro Bolivar deposits of eastern Venezuela. US Steel had already begun construction and other preliminary work, but could not legally begin mining operations until it had agreed to develop transportation routes satisfactory to the Venezuelan Government. Bethlehem Steel, which has smaller deposits nearby, has been shipping about 60,000 tons per month over a different route since last April.

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SECTION 3 (WESTERN)

1. AUSTRIA. Leaks weaken Western strategy on Austrian treaty: The French-influenced radio in Dornbirn, Austria, broadcast on 25 November a report attributed to "authoritative US circles" that a new Western move will be made within a few weeks to resume Austrian treaty discussions on "a new basis." The French Government is alleged to have received these proposals with great reserve. The substance of this broadcast, attributed to the French Information Service, appeared in a Viennese Communist newspaper under a Washington dateline on 27 November, and earlier in the 24 November issue of the Paris Figaro. 25X1

Comment: While a leak on Western strategy appears to have taken place within the French Foreign Office, the Austrian Vice Chancellor himself caused considerable speculation in the Communist press some weeks ago when he remarked that certain clauses of the old draft treaty may now have no meaning.

Premature disclosure of Western plans will give the Soviet Union ample opportunity to adapt its position and to exploit Western differences. The West's sincerity in offering to settle on the basis of the old draft may also be brought into question, and some of the impact of a proposed propaganda offensive to place full responsibility for the failure of agreement on the Russians may well be lost.

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